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Consumer Product Safety Commission (CPSC) Acting Chairwoman Nancy Nord this week testified before a House panel that setting up a new database listing product safety complaints as required by a Senate bill passed last week would cost almost one-fourth of the agency's budget and also require a high annual maintenance cost.

CPSC budget experts have estimated that setting up the database would require \$20 million, and \$3 million to \$4 million in yearly maintenance, Nord said. She spoke at a March 11 hearing of the House Appropriations subcommittee on financial services and general government about the Bush administration's 2009 budget request.

Given that cost, Congress should "be sure it is of value to consumers," she said. The database in the Senate bill passed on March 6 would include all product safety complaints the CPSC receives from stakeholders such as consumers and hospitals, whether or not these complaints eventually lead to a recall (Inside U.S. Trade, March 7).

The CPSC gets about half a million complaints a year that would be eligible to go up on the database, Nord said, and "most are inaccurate" containing the wrong model and manufacturer information. The only way to ensure accuracy is to let the CPSC follow its current procedures of vetting information and deliberating on it internally, Nord said.

Nord, who is a Bush administration appointee, testified with Commissioner Thomas Moore, a Clinton administration appointee. Moore said he supports both the House and Senate CPSC reform bills because they reflect his "own views" on how to better the agency through re-authorization.

Nord said she could not see how the CPSC could enforce new requirements expected in a final product safety bill with the agency's current funding level, but declined to ask for more money in light of the fact that a final CPSC reform bill has not been worked out and signed into law. She said she would contact the subcommittee on increasing funds for new mandates at the "appropriate time."

Subcommittee Chairman Jose Serrano (D-NY) defended the database, which is not in the House-passed bill, as a "good idea" because it would help inform consumers. He also indicated that the agency would likely need a supplemental budget request sometime this year.

The President's budget request keeps funding at the same level as 2008, about \$80 million, and was backed by both Nord and Moore. Moore said he supports this funding level as the agency will engage in many one-time expenditures this year to update its facilities, information technology systems, and hire more staff. Thus, keeping funding levels at \$80 million would actually provide the agency an increase next year, he said.

Nord last month publicly criticized the database along with other features of the Senate bill, including the whistleblower protection (Inside U.S. Trade, Feb. 22). In her testimony, Nord again criticized the whistleblower protection of the Senate bill for its CPSC staffing and budget implications. According to Nord, the bill would take away the authority of CPSC management to decide whether CPSC employees should participate in whistleblower court proceedings and leave that decision up to individual employees.

The President's 2009 budget request for CPSC includes \$3.2 million for the agency's new import safety initiative, and 24 full-time equivalent (FTE) staff, according to Serrano. The CPSC import surveillance division, created on March 5, will cover the port of Long Beach, California, and will include a presence in up to ten ports as of now, according to Moore's testimony.

But Nord said that despite this new division, CPSC would only inspect "a tiny percentage" of imports. She compared the agency with the Food and Drug Administration of about 400 inspection staff -- nearly the size of the entire CPSC -- and only inspects about one percent of imports under its jurisdiction. The CPSC is aiming to hire 444 FTEs by Oct. 1, an increase of 50 FTEs.

The import surveillance division will work with Customs and Border Protection (CBP) to test more product samples and conduct more "port-of-entry surveillance blitzes," according to a March 5 statement by CPSC. Carol Cave, a former director of CPSC Field Operations, is the head of the new office, according to the announcement.

Nord declined to say at which ports inspectors would be stationed because it would encourage "port shopping" by importers who seek ports with little surveillance in order to get defective goods into the U.S. market. However, she offered to give Serrano such information in a closed hearing.

In conjunction with the new division, CPSC is training and obtaining the necessary clearances for 18 employees to access the CBP International Trade Data System (ITDS), which contains tracking and other information on shipments. By accessing this information, CPSC will be able to develop more focused and targeted ways to inspect shipments, Nord said. It will also allow the CPSC to better trace goods back to importers, she said, adding that a one-time \$2.3 million expenditure on updating information technology (IT) systems will also aid in this.

Also during the hearing, Rep. Mark Kirk (R-IL) reiterated to Nord his long-standing demand to place a full-time employee at the new U.S. embassy in Beijing, especially in light of the 27.5 percent increase of the CPSC's 2008 budget over 2007. Kirk also indicated that other legislators shared his desire to see a China CPSC position created, and that State Department officials in China had supported such an idea in a letter to Secretary of State Condoleezza Rice.

Nord responded by saying that a staff person in Beijing "is not formally in our plans because the agency has not voted" to authorize such a position. But she said she would "welcome" some sort of CPSC presence in Asia, as well as additional funding to hire such a person. After the hearing, she vowed to continue to work with Kirk's staff on the issue, and pointed out that the agency could not take such an action now as it does not have a quorum. Both the Senate and House CPSC reform bills, which must now go to conference, would grant CPSC a quorum again.